

1979 WL 42908 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

April 5, 1979

\*1 Mr. John T. Watkins

Director

South Carolina Residential Home Builders Commission

2221 Devine Street

Suite 312

Columbia, South Carolina 29205

Dear John:

In your letter dated April 3, 1979, you questioned whether it would be proper or legal for all builders desiring to be licensed by the Residential Home Builders Commission to make checks payable to the Commission for the bond that is typically furnished along with applications for licenses or renewal of licenses. You indicated that pursuant to such a plan, the Commission would place all bonds with one company.

Please be advised that a review of [Sections 40-59-10 et seq. of the 1976 Code](#) of Laws and the Rules and Regulations of the Commission, particularly [Regulations 106-4](#) and [106-6](#), indicate that the individual desiring to be licensed or have his license renewed by the Commission must file with the Commission proof of financial responsibility, whether it is a financial statement or a bond. It is not indicated that it was the intention that the Commission itself would be responsible for obtaining a bond on behalf of a builder. Not only is such a plan apparently not in keeping with the statutes or regulations, but it would appear to be highly improper for the Commission itself to ever become involved with a plan whereby they would choose which company furnished all the bonds of licensed residential home builders. Therefore, I would strongly advise against the Commission becoming involved with such a plan.

Sincerely,

Charles H. Richardson

Assistant Attorney General

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